

**UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION (DETROIT)**

In re:

CITY OF DETROIT, MICHIGAN,

Debtor.

Chapter 9

Case No. 13-53846-SWR

Hon. Steven W. Rhodes

**OBJECTION TO THE CITY OF DETROIT’S MOTION
TO ESTABLISH SUPPLEMENTAL PROCEDURES RELATING
TO PENSION AND OPEB CLAIMS**

NOW COME The Retired Detroit Police & Fire Fighters Association (“RDPFFA”), Donald Taylor, individually, and as President of the RDPFFA, and the Detroit Retired City Employees Association (“DRCEA”) and Shirley V. Lightsey, individually, and as President of the DRCEA (collectively “Retiree Association Parties”), through their counsel, Lippitt O’Keefe Gornbein, PLLC and Silverman & Morris, P.L.L.C., and file this Objection to the Corrected Motion of the City of Detroit for Entry of an Order Establishing Supplemental Procedures for Solicitation and Tabulation of Votes to Accept or Reject Plan of Adjustment with Respect to Pension and OPEB Claims (“Motion”) (dks. 3932 and 3943).

In the Motion, the Debtor seeks the entry of an order establishing various procedures for the solicitation and tabulation of votes from pension and OPEB claimants. In general, the Retiree Association Parties do not object to the relief sought by the Debtor, or to the proposed rules and inserts (“Inserts”) and ballots (“Ballots”) attached to the Motion.

However, the Retiree Association Parties have the following objections to the Inserts and Ballots (collectively, the “Balloting Documents”):

1. Each of the proposed Ballots has a line item requesting (among other things) a claimant's social security or federal tax identification number. Although the line item indicates that the information is optional, the Ballot is an official form, and therefore it is likely that most claimants will provide the information. However, it is not necessary for any claimant submitting a Ballot to provide his or her social security number. Moreover, in light of the risk of identity theft, providing the information could lead to adverse consequences for each voting claimant. The line item requesting this information should be stricken from the Ballots.

2. The Balloting Documents are misleading as they relate to the proposed releases to be provided by pension and OPEB claimants. The Balloting Documents indicate that if a claimant accepts the Plan, that claimant is releasing various claims against the Debtor, the State of Michigan, and other entities. However, it is unclear from the language in the Balloting Documents whether the accepting claimant is providing a release regardless of (a) whether the Plan is confirmed; (b) whether the applicable class accepts the Plan, and (c) whether the parties to be released actually provide any funding or other consideration in exchange for the release. If the release is to be provided by every accepting creditor, regardless of whether (a) the Plan is confirmed; (b) the applicable class accepts the Plan; and (c) any consideration is paid by the parties to be released, then the Notices need to be revised to clearly indicate the magnitude and significance of every pension and OPEB creditor's vote.

Similarly, if the release is to only be provided by an accepting creditor if the Plan is confirmed, the class as a whole accepts the Plan, and funds or other consideration are actually provided by the parties to be released, then the Notices need to be revised to clearly indicate the conditional nature of the releases.

3. If the Debtor does intend for every accepting pension and OPEB claimant to provide a release, regardless of whether the Plan is confirmed, and regardless of whether the State of Michigan and the other parties to be released provide any consideration, then the Debtor's proposed treatment of the retirees is wholly illusory. The Debtor is asking retirees to release valid claims against the State of Michigan and other entities, with no assurance that the consideration proposed to be paid by these entities will be paid (let alone be required to be paid). This is impermissible.

WHEREFORE, the Retiree Association Parties respectfully request that the proposed Balloting Documents be revised as set forth herein.

Respectfully submitted,

SILVERMAN & MORRIS, P.L.L.C.

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